

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
STATE PIPELINE COORDINATOR'S SECTION**

ANALYSIS AND PROPOSED DECISION

**TRANS-ALASKA PIPELINE RIGHT-OF-WAY LEASE AMENDMENT, ADL 63574
KEYSTONE CANYON ROCKFALL DEBRIS STORAGE AT
PIPELINE MILEPOST 781.7**

Proposed Action: The Department of Natural Resources (DNR) received a request from Alyeska Pipeline Service Company (APSC), agent for the Trans-Alaska Pipeline System (TAPS) lessees, to amend the Trans-Alaska Pipeline Right-of-Way (ROW) Lease, ADL 63574 to add lands approximately 17 miles east of the City of Valdez, south of milepost 16.5 of the Richardson Highway in the Keystone Canyon area. The purpose of the request is to remove rockfall from the TAPS workpad at Pipeline Milepost (PLMP) 781.14 and place it approximately 3,000 feet south of the site at PLMP 781.7.

The proposed construction ROW is located within the SE1/4NW1/4, SW1/4NE1/4 of Section 23, Township 9 South, Range 4 West, Copper River Meridian; and contains approximately 3.8 acres, more or less.

This amendment request is necessary to support a separate lease amendment application for pipeline integrity excavation and the installation of a slope stabilization structure to cover the failed rockface; the Keystone Canyon rockfall hazard mitigation project and rockfall debris storage activities extend outside the existing TAPS ROW. Once construction activities are concluded, the added land to the operational ROW will be surveyed and may include less acreage than approved for construction.

The additional lands are necessary to support the existing pipeline system as defined in AS 38.35.230(7) and authorized by the Trans-Alaska Pipeline ROW Lease, ADL 63574. See the drawing for more details (Attachment A).

Authority: AS 38.35.015 and Trans-Alaska Pipeline ROW Lease, ADL 63574.

Administrative Record: Trans-Alaska Pipeline ROW Lease, ADL 63574, and the associated ROW Lease Amendment case file constitute the administrative record.

Background: Public notice of the ROW amendment application for the Keystone Canyon rockfall debris storage project at Pipeline Milepost 781.7 was published in the Anchorage Daily News, posted on the State of Alaska online Public Notice webpage, on the Division of Oil and Gas Newsroom webpage, and sent for posting in the U.S. Post Office in Valdez and the Valdez Consortium Library on April 2, 2021.

Pursuant to AS 38.35.070, the following coordinate agencies were notified of the applications and associated documents: Department of Labor & Workforce Development, Department of Transportation & Public Facilities, Department of Environmental Conservation, and Regulatory Commission of Alaska. Additionally, the following agencies received the link to the applications

and associated documents: Department of Revenue, Department of Fish & Game (ADF&G), Department of Commerce, Alaska Oil and Gas Conservation Commission (AOGCC); and Department of Public Safety.

The Office of History and Archaeology (OHA) reviewed the Keystone Canyon rockfall debris storage and integrity excavation project areas and determined that there are no known cultural resource sites or historic properties affected by this proposed action and provided confirmation of this determination on April 16, 2021.

If inadvertent discoveries of cultural resources occur, OHA must be notified to evaluate whether the resource should be preserved in the public interest pursuant to AS 41.35.070(d). Examples of cultural resource sites that can be encountered include: historical cabin remains, adits, dredges, mining equipment, cultural depressions or pits, graves or cemeteries, tools, artifacts, and paleontological remains.

Project Description: In March of 2016, a rock failure occurred at the south end of the right (west) rock cut wall in the Keystone Canyon. About 14,200 cubic yards of rock-slide debris covered the pipeline ROW, with approximately 11,000 cubic yards covering the workpad. The debris is approximately 15 feet thick and consists primarily of large boulder-sized material, some greater than 12 feet. The rock failure created a scar about 60 feet wide and 100 feet tall, with a maximum depth into the corner of the rock cut of about 50 feet relative to the pre-slide topography. An in-line inspection identified an anomaly in the pipeline, and APSC needs to access the location to conduct an integrity excavation. Based on this information, the rock-slide debris currently covering the TAPS workpad needs to be removed from on top of TAPS.

A separate lease amendment application was submitted for the rockfall hazard mitigation plan. Rockfall material on the TAPS workpad will be removed using rock trucks, excavators, loaders, dozers, fuel trucks, generators, and tracked personnel vehicles. Material removal will be done pursuant to AS 38.05.565(a)(3), which allows for material to be removed during the “construction, use, or maintenance of a facility authorized by a permit, land lease, or right-of-way.” The material will be placed within an approximately 3.8-acre area, approximately ½ mile south of the rockfall. This area is subject to a lease amendment application to expand the ROW boundary to accommodate the material storage.

All work is expected to be completed by June of 2021.

Title: The State of Alaska holds fee title to the subject lands from Patent No. 50-76-0050, dated, November 13, 1975, and the Submerged Lands Act Amendment of August 16, 1988, P.L. 100-395, 43 U.S.C 1631.

Planning and Classification: The proposed project is within the Prince William Sound Area Plan (PWSAP), originally adopted in June 1988, and amended on April 3, 2007. The subject area is within Management Unit 21: City of Valdez, Subunit 21P - Keystone Canyon. The narrow canyon and steep cliffs are considered important attractions for residents and tourist. The primary uses of

the subunit is public recreation and transportation. To protect the recreation and scenic resources, only essential facilities necessary to support transportation and utility uses are allowed between Keystone Canyon and Thompson Pass.

The Trans-Alaska Pipeline ROW Lease pre-dates the land classifications made under CL-510 and CL-SC-86-037; the PWSAP acknowledges the Trans-Alaska Pipeline as a part of the existing transportation network within the respective subunits. Additionally, per 11 AAC 55.260, no classification or reclassification affects valid rights existing before the classification or reclassification.

State lands within 300 feet each side of the TAPS pipeline centerline are closed to mineral entry by Mineral Order (MO) 1147 dated August 1, 2014.

The proposed Keystone Canyon rockfall debris storage project will protect the integrity of TAPS and is compatible with the management intent of the area for public recreation. The project area is along the TAPS ROW and is not visible from the Richardson Highway. There is nothing in the classification that prohibits the issuance of the ROW amendment for maintaining the buried mainline pipe or for rockfall debris storage.

Public Notice: Notice of this Analysis and Proposed Decision will be published in the Anchorage Daily News, posted on the State of Alaska online Public Notice webpage, and on the Division of Oil & Gas Newsroom webpage on May 12, 2021. It will also be sent for posting in the Valdez Post Office and Valdez Consortium Library on May 12, 2021.

If public comment indicates the need for significant changes in the proposed decision, additional public notice will be given on or after June 11, 2021. If no significant change is required, the proposed decision, including any minor changes, will be issued as the final decision of the Department of Natural Resources after June 11, 2021, without further notice.

Analysis: AS 38.35, the Alaska Right-of-Way Leasing Act, sets forth the procedures by which certain ROW leases are granted by the State of Alaska and the conditions under which they can be amended. Pursuant to AS 38.35.010, it is the policy of the state that development, use, and control of a pipeline transportation system make the maximum contribution to the development of the human resources of this state, increase the standard of living for all its residents, advance existing and potential sectors of its economy, strengthen free competition in its private enterprise system, and carefully protect its incomparable natural environment.

Pursuant to AS 38.35.015, the Commissioner has the power to grant leases of state land for pipeline ROW purposes. The Commissioner found it to be in the best interest of the residents of the State of Alaska to issue the Trans-Alaska Pipeline ROW Lease, ADL 63574 on May 3, 1974, and the Renewal and Amendment of ROW Lease for the Trans-Alaska Pipeline and Associated Rights, ADL 63574, effective May 2, 2004. The terms, conditions, stipulations and reservations contained in the Trans-Alaska Pipeline ROW Lease, ADL 63574, will apply to these lands if added to the lease.

AS 38.35.020(a) requires the applicant to obtain a ROW lease of state land from the Commissioner. The purpose of the Keystone Canyon rockfall hazard mitigation project is to protect TAPS from external rockfall damage caused by events such as, rainfall, the freeze-thaw process, and erosion caused by heavy rainstorms or high-winds. The integrity excavation, installation of a ring-net to cover a failed rock-face, rock removal, and rockfall storage activities are necessary for protecting the integrity of the pipeline and are consistent with the original purpose of the lease. The rockfall debris storage activities require additional disposals of interest in state land beyond what was included in the original terms of the Trans-Alaska Pipeline ROW Lease, ADL 63574. Therefore, an amendment to the lease is required when there is a disposal of an interest in state land or resources beyond what was reviewed and approved during the original adjudication.

The permanent improvements for slope stabilization, rockfall protection, and rockfall debris storage are to protect the buried pipeline from exposure. Storage buildings and structures, and areas for storage of supplies and equipment are addressed in Stipulation 1.1.1.36(9), of the Trans-Alaska Pipeline ROW Lease, ADL 63574. The rockfall debris storage is considered as "Related Facilities", of which its substantial and continuous use is necessary for the operation or maintenance of TAPS.

Findings: The proposed project is integral to the protection of the pipeline. The slope stabilization structure and rockfall debris storage activities are considered "Related Facilities" as defined by the lease and will be managed under the lease. The proposal to add the above-described lands to the Trans-Alaska Pipeline ROW Lease, ADL 63574, is consistent with the lease. The terms, conditions and stipulations contained in Trans-Alaska Pipeline ROW Lease, ADL 63574, adequately address and protect the interest of the State of Alaska.

DNR will require a final revised technical work package (Issued for Construction) to be submitted as soon as it is available. DNR will examine the project area upon completion of the construction activities to ensure all lands are in a condition acceptable to the Commissioner. An as-built survey is required for the amendment to identify the additional ROW area and to depict the location of the slope stabilization structure in relation to the control line survey of the ROW. The as-built survey is to be submitted for review and acceptance by the Commissioner, pursuant to Section 1(e) of the Trans-Alaska Pipeline ROW Lease, ADL 63574, as amended.

The addition of these lands to the lease does not constitute a significant amendment to the lease, since the impact on state resources will be negligible and the project does not conflict with or significantly change existing use of the land. Approval of the request for the amendment to add the described lands is consistent with state statutes and the terms of the lease. The lessee is required to secure all necessary permits or authorizations required by other local, state, and federal agencies.

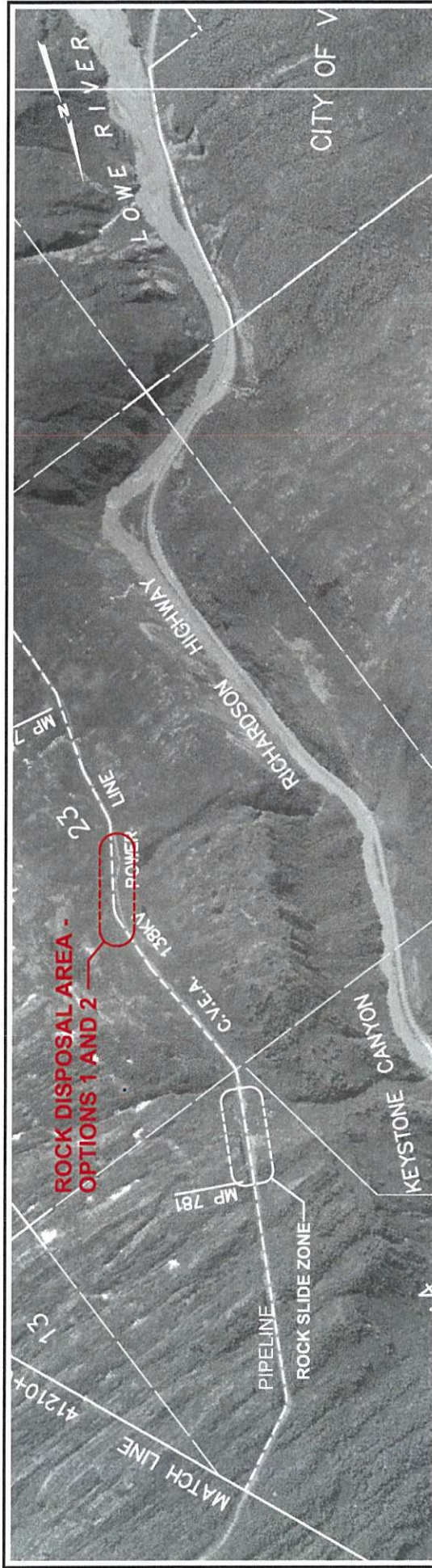
Proposed Decision: I find that the request to amend the Right-of-Way Lease for the Trans-Alaska Pipeline, ADL 63574, to include the lands described in this proposed decision is in the

best interest of the state and does not constitute a significant amendment to the lease.

If no significant change is required because of public comment or objection, then the proposed decision, including any minor changes, will be issued as the final decision of the Department of Natural Resources after June 11, 2021, without further notice.

DocuSigned by:	
	5/11/2021
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_____ Anthony Strupulis, PE State Pipeline Coordinator	_____ Date

Attachment A: Alyeska Pipeline Service Co., Trans-Alaska Pipeline System
Rock Fall Debris Removal and Disposal, Milepost 781, March 2020 (1 Page)



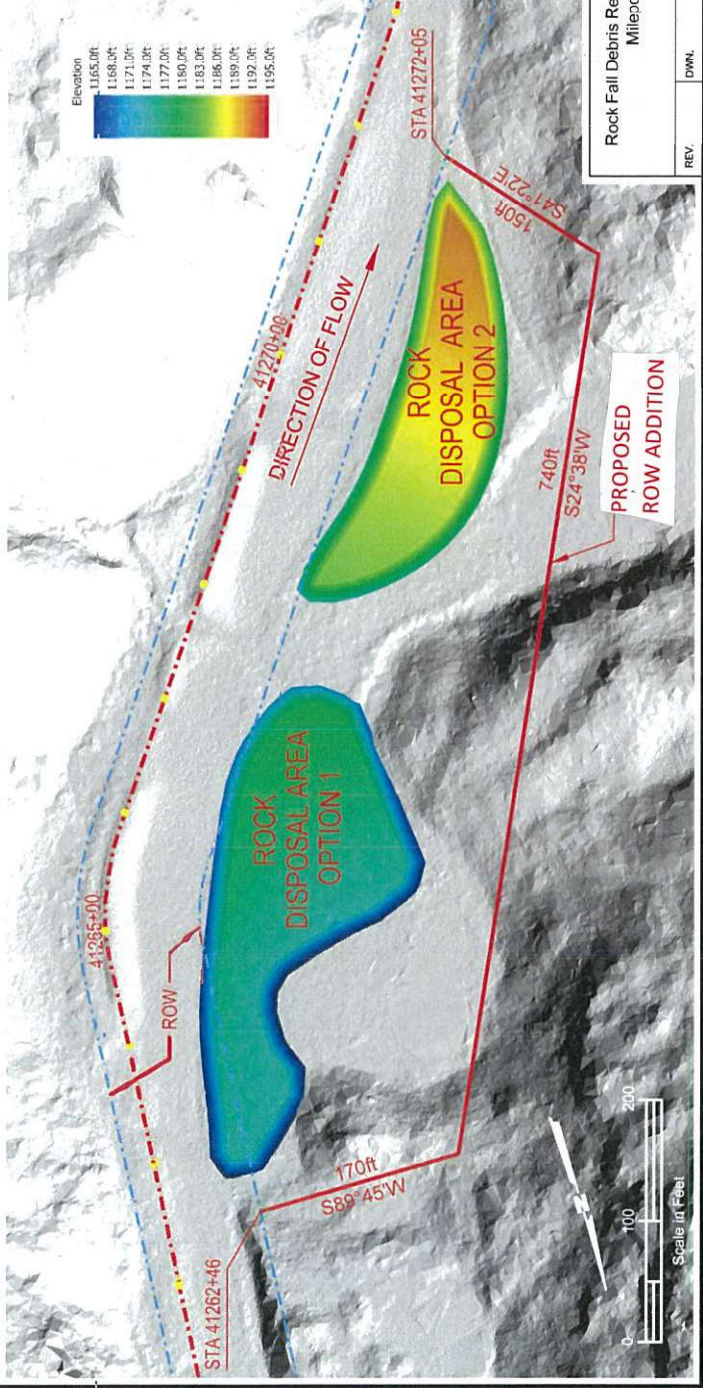
G100 ALIGNMENT SHEET 140
 LAND OWNER: STATE OF ALASKA
 MERIDIAN: T9S-RAW SECTIONS 14 & 23
 LATITUDE: 61° 04' 54.42"N LONGITUDE: 145° 58' 6.64"W

ROCK DISPOSAL AREA 1:
 ESTIMATED FILL VOLUME: 14,200 CUBIC YARDS
 ESTIMATED AREA: 42,700 SQUARE FEET

ROCK DISPOSAL AREA 2:
 ESTIMATED FILL VOLUME: 8,300 CUBIC YARDS
 ESTIMATED AREA: 28,500 SQUARE FEET

TEMPORARY CONSTRUCTION AREA
 OUTSIDE RIGHT-OF-WAY: 164,000 SQUARE FEET

Township 9 South, Range 4 West (Copper River)
 Section 23 SE4NW4, SW4NE4



ALYESKA PIPELINE SERVICE CO.			
Rock Fall Debris Removal and Disposal Milepost 781			
DATE: March 2020	SCALE:	APPR.	SHEET
REV.	DWN.	CKD.	APPR.